
A BILL FOR AN ACT

RELATING TO THE STATE OF HAWAII ENDOWMENT FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to enhance and
2 broaden the purposes of the State of Hawaii endowment fund,
3 which is a separate fund of the Honolulu symphony trust. The
4 legislature finds that the income and capital gains from the
5 endowment fund should also be used for music production,
6 performances, and music education, in addition to the current
7 limited purpose of the production of music by an Oahu-based
8 symphony orchestra.

9 The Honolulu symphony endowment fund was created in 1987 to
10 be used to fund the Honolulu symphony operations. In 1988, the
11 name of the fund was changed to the State of Hawaii endowment
12 fund. In 1995, a portion of the income and capital gains from
13 the fund was transferred to the state foundation on culture and
14 the arts, to be used for the production of music by an Oahu-
15 based symphony orchestra as determined by the state foundation
16 on culture and the arts.

17 The legislature notes that, to date, the state foundation
18 on culture and the arts has not played any significant role in



1 the management and administration of the fund. More
2 importantly, as of December 2010, the Honolulu symphony society
3 filed for Chapter 7 bankruptcy. Consequently, this Act also
4 clarifies that the endowment fund shall be administered by the
5 department of accounting and general services.

6 SECTION 2. Section 40-88, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) There shall be established [~~as a separate fund of the~~
9 ~~Honolulu symphony trust created by the trust agreement dated~~
10 ~~December 5, 1986,~~] a fund to be known as the State of Hawaii
11 endowment fund. The income and capital gains from the
12 [~~\$2,000,000 contributed by the State of Hawaii shall be~~
13 ~~transferred on a quarterly basis to the state foundation on~~
14 ~~culture and the arts, performing and visual arts events private~~
15 ~~contribution account to]~~ fund shall be used for the production
16 of music by an Oahu-based symphony orchestra or for the
17 education of children in school in preparation for the
18 production of music with instruction by a performer from an
19 Oahu-based symphony orchestra, including any Oahu-based youth
20 symphony orchestra, as determined by the state foundation on
21 culture and the arts. The State of Hawaii endowment fund shall
22 be subject to the restrictions that:



- 1 (1) No part of the principal amount contributed to the
2 fund by the State or by matching grants shall be used
3 for operations of the Honolulu symphony;
- 4 (2) Income and capital gains from the fund shall not be
5 distributed for use in the operations of the Honolulu
6 symphony during any period that the value of the fund
7 shall be less than the principal amounts contributed
8 to the fund; and
- 9 (3) The amounts contributed to the fund by the State shall
10 revert to the State to the extent that matching or
11 other conditions to the grant of the funds are not
12 met, and the fund also shall be subject to additional
13 restrictions as may be imposed with respect to
14 transfers of funds in future legislation appropriating
15 sums to be contributed to the fund."

16 SECTION 3. Act 97, Session Laws of Hawaii 2006, is amended
17 by amending section 2 to read as follows:

18 "SECTION 2. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$4,000,000 or so much
20 thereof as may be necessary for fiscal year 2006-2007 to be
21 deposited into the State of Hawaii endowment fund, from which
22 the income and capital gains shall be used for the production of



1 music by an Oahu-based symphony orchestra~~[+]~~ or for the
2 education of children in school in preparation for the
3 production of music with instruction by a performer from an
4 Oahu-based symphony orchestra, including any Oahu-based youth
5 symphony orchestra; provided that the funds appropriated in this
6 section are matched, dollar-for-dollar, by private funds~~[-]~~ or
7 pledges pursuant to section 40-88, Hawaii Revised Statutes.

8 The sum appropriated shall be expended by the department of
9 accounting and general services for the purposes of this Act."

10 SECTION 4. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on July 1, 2050.



Report Title:

State of Hawaii Endowment Fund; DAGS

Description:

Broadens the purposes of the State of Hawaii endowment fund to encompass the education in school for music production with instruction by an Oahu symphony orchestra performer. Effective July 1, 2050. (HB1378 HD1)

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